

Insure Montana Purchasing Pool		Agency/Program #: 3401-03-12
		Division: Insurance Program
		Program: Insure Montana
Agency Name:	State Auditor's Office	
Agency Contact:	Jill Sark	444-2040
LFC Contact:	Representative Sesso, Representative Taylor	
LFD Liaison:	Kris Wilkinson	444-5834
OBPP Liaison:	Shawn Graham	444-0054

Program or Project Description:

Insure Montana is the Small Business Health Insurance Program passed during the 2005 Legislative Session. The program has two primary components: to provide refundable tax credits to small businesses that are currently providing group health insurance to their employees, and to provide premium assistance and incentive payments through our purchasing pool or a qualified association plan to previously uninsured businesses.

Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of April 15, 2008
	Approp.	Expended	Approp.	Expended	
General Fund	0	0	0	0	
State Special	6,557,006	5,125,505	6,562,840	0	
Federal Funds	0	0	0	0	
Total:	\$6,557,006	\$5,125,505	\$6,562,840	\$0	

Legislative Goal(s):

Maintain a purchasing pool through which small businesses can more competitively bid for health care coverage, reduce the number of uninsured Montanans working for small businesses.

Legislative Performance Measures:

Insure at least 5,000 previously uninsured lives covered through the purchasing pool measured through the monthly number of lives covered through premium assistance and incentive payment system.

2009 Biennium Significant Milestones:		Completion Dates	
		Target	Actual
1	Evaluate participant needs and wants for health coverage using CHAT (Choosing Health plans All Together), including applicants who declined coverage in the process.	2/28/2008	Early April 2008
2	Initiate an RFP process with the goal of having 2-3 carriers available in the pool or a compelling reason not to have one, with the RFP complete by 8/31/08 for a 1/1/09 effective date	1/1/2009	
3	Adjust assistance schedules to reflect newest federal poverty guidelines.	2/28/2008	
4	Verify income information for all subscribers and adjust assistance payments if applicable, using revised schedule (item 3)	4/30/2008	
5	Verify renewal paperwork received by 10/31/07 and renew (and quote) all groups wishing to and eligible to continue in the program.	1/1/2008	12/31/2007

Evaluate participation and budget following renewal and add an appropriate number of waiting list businesses to the program.	3/31/2008	2/19/2008
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Agency Performance Report:

Currently, Insure Montana provides premium assistance and incentive payments to 754 businesses with 5,377 members. The average assistance payment to members is \$156.64 and the average incentive payment to businesses is \$206.31.

Three businesses with nine employees have purchased group coverage through a Qualified Association Health Plan. The average assistance payment to members is \$268.00 and the average incentive payment to businesses is \$265.28.

There are currently 586 businesses on the waiting list, which would equal approximately 4194 members.

Milestone #1

CHAT sessions were completed the beginning of April 2008. Final analysis of the results will be completed by August 2008 and presented at the Board meeting on 08/12/08. A verbal analysis will be presented to the Board's subcommittee on 05/07/08 who will meet to develop the upcoming RFP to be effective January 1, 2009.

Milestone #2

The RFP subcommittee met on 03/18/2008 and 04/07/2008. A carrier question and answer session was held on 04/21/2008. The carrier meeting revealed that it would be very difficult to have a multi-carrier contract. The RFP subcommittee has a meeting scheduled for 05/06/01/2008 but no later than 06/15/2008 and will meet the deadline to have a new contract effective 01/01/2009.

Milestone #3

The schedules cannot be adjusted at this time due to lack of funding.

Milestone #4

A pilot of audits is scheduled to be completed in the month of June. There will be an audit of 50 purchasing pool cases and 50 tax credit cases. An adjustment to reflect newest federal poverty guidelines cannot be completed due to lack of funding.

Milestone #5

All purchasing pool renewals were completed and quoted for the upcoming year by 12/31/2007.

Milestone #6

An evaluation of the budget was completed prior to the Board meeting on 02/19/2008 and it was determined that no businesses could be added to program due to lack of funding.

LFD Narrative:

LFD ASSESSMENT: On-Track

DATA RELEVANCE: The information reported in the Agency Performance section relates to the legislative goals and performance measures.

APPROPRIATION STATUS: Appropriation and expenditure data were provided, the program costs for the participants as the program currently operated will stay within appropriations. The workgroup may wish to discuss the cost of implementing new federal poverty guidelines and the additional costs of coverage to participants since new rates began in January 2008.

COMMENTS/ISSUES: The program has meet it's goal to insure over 5,000 previously uninsured Montanans. The workgroup may wish to review the program again in October to discuss the results of the audits. The SAO has included a request for additional funding for the program as part of it's budget request for the 2011 biennium. The workgroup may wish to request additional information on the request for the next workgroup meeting.

OPTIONS:

- 1) Dismiss from further review
- 2) Review again in October 2008
- 3) Request additional information
- 4) Upgrade or downgrade the rating



Version	Date	Author
	5/20/2008	

Change Description